

Honolulu, Hawaii  
March 20, 2006

RE: S.B. No. 2454  
S.D. 1  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Tourism & Culture, to which was referred  
S.B. No. 2454, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO OUT-OF-STATE SALES OF TIME  
SHARE INTERESTS,"

begs leave to report as follows:

The purpose of this bill is to exempt a time share plan,  
containing accommodations or facilities located in a currently  
registered Hawaii time share plan, which is offered for sale  
solely outside the United States, from the requirements of the  
time sharing plans law; provided that the developer of the time  
share plan either:

- (1) Files the time share plan with the Director of Commerce  
and Consumer Affairs (DCCA) for approval; or
- (2) Pays an exemption registration fee of \$100 and files  
certain information pertaining to the time share plan  
with the Director of DCCA for approval.

RCI, Starwood Vacation Ownership, and ARDA-Hawaii supported  
this bill. Marriot International supported this bill with  
amendments. DCCA submitted comments.



Your Committee notes that the proponents of this bill have been working with DCCA to revise and improve the bill's provisions.

In light of this continuing discussion, your Committee has amended this measure by:

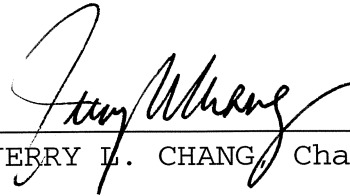
- (1) Clarifying that the bill's provisions apply to time share plans containing time share interests or units, instead of accommodations or facilities, that are part of a currently registered Hawaii time share plan, which are offered for sale solely outside the United States (foreign time share plans);
- (2) Reducing and revising the list of information pertaining to the foreign time share plan that must be submitted to be eligible for the time sharing law exemption to the following:
  - (A) The name and address of the foreign time share plan;
  - (B) The name and address of the developer and seller of the foreign time share plan, if any;
  - (C) The name and registration number of the time share plan located in Hawaii; and
  - (D) The duration of the foreign time share plan;
- (3) Requiring that the disclosure statement for a contract to purchase an interest in a foreign time share plan also contains the following statement:

"NO RESALE OR INTERESTS IN THIS TIME SHARE PLAN MAY BE MADE BY ANY PERSON WITHIN THE JURISDICTIONAL LIMITS OF THE UNITED STATES OF AMERICA"; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.



As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2454, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2454, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Tourism & Culture,



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JERRY L. CHANG, Chair



